City of Courtenay

financial report 1986

CITY COUNCIL 1986

MAYOR

G. T. COCHRANE

ALDERMEN

S. J. Blain	L. B. DiCastri
W. R. McConochie	H. J. Long
D. Prain	R. V. Webber

FREEMEN OF THE CITY

F. S. Williams

G. L. Hobson

H. W. Bradley

CITY OFFICIALS

City Clerk-Administrator	D. Ratcliffe
City Treasurer-Collector and Deputy City Clerk-Administrator	J. E. Wilson
Public Works Superintendent	S. M. Janzen
Fire Chief	L. Burns
Building/Plumbing Inspector	E. L. Cronk
Public Works Foreman	R. F. Carter

CITY AUDITORS

Wharram Standeven & Co.

CITY SOLICITOR

Gibson & Co.

THE CORPORATION OF THE CITY OF COURTENAY
Financial Statements
Year ended December 31, 1986

Auditors' Report

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AUDITORS' REPORT

The Mayor and Aldermen
The Corporation of the City of Courtenay
British Columbia

We have examined the balance sheets of The Corporation of the City of Courtenay, as at December 31, 1986, and the statements of surplus, revenue and expenditure, equity in capital assets, capital financing, and changes in fund balances for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Corporation of the City of Courtenay, as at December 31, 1986, and the results of its operations for the year then ended, in accordance with accounting principles generally accepted for British Columbia municipalities, applied on a basis consistent with that of the preceding year.

Wharram Standeven & Co.
Chartered Accountants

Courtenay, B.C.
March 5, 1987

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
BALANCE SHEET AS AT DECEMBER 31, 1986

ASSETS	1986	1985
CASH	$ 41,034	$ 48,144
ACCOUNTS RECEIVABLE		
Property taxes	536,225	787,034
Federal government	26,433	30,186
Provincial government	1,458,474	1,491,693
Regional and other local governments	27,196	23,447
Other	134,957	173,856
	2,183,285	2,506,216
INVENTORIES, at cost	76,041	77,748
OTHER ASSETS		
Prepaid expenses	41,764	41,336
Tax sale properties subject to redemption	93,131	197,112
Municipal Finance Authority Debt Reserve Fund (Note 3)	7,793	7,642
	142,688	246,090
	$ 2,443,048	$ 2,878,198

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
BALANCE SHEET AS AT DECEMBER 31, 1986

LIABILITIES AND SURPLUS	1986	1985
ACCOUNTS PAYABLE		
Bank loan	$ 700,000	$ 800,000
Federal government	109,046	234,586
Provincial government	178,535	316,888
Regional and other local governments	41,350	38,105
Own funds		
Reserve Funds	479,510	506,783
Sewer Operating Fund	195,866	140,473
General Capital Fund	-	8,295
Water Utility Operating Fund	147,869	214,445
Trade accounts and accrued liabilities	196,326	186,282
	2,048,502	2,445,857
OTHER LIABILITIES		
Matured debentures principal and interest	2,174	2,174
Deposits	17,150	10,000
Municipal Finance Authority Debt Reserve Fund liability (Note 3)		
Cash requirement	1,394	1,243
Demand note requirement	6,399	6,399
Tax sale reserve	5,223	378
	32,340	20,194
RESERVE FOR FUTURE EXPENDITURES	51,090	33,841
SURPLUS (Statement 2)	311,116	378,306
	$ 2,443,048	$ 2,878,198

CONTINGENT LIABILITY (Note 2)

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
STATEMENT OF SURPLUS
YEAR ENDED DECEMBER 31, 1986

Statement 2

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 378,306	$ 315,288
Deduct		
Previous years' surplus appropriated for current year	170,000	40,000
Adjustment of prior years' revenues from taxes	392	72
	170,392	40,072
	207,914	275,216
Add surplus for the year (Statement 3)	103,202	103,090
BALANCE AT END OF YEAR	$ 311,116	$ 378,306

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1986

REVENUE	1986	1985 (Note 6)
Taxes		
Real property	$ 1,836,840	$ 1,601,024
Sewer frontage tax	562,870	496,237
Water frontage tax	292,895	290,898
Downtown Revitalization frontage tax	31,614	32,984
	2,724,129	2,421,143
Grants in Lieu of Taxes		
Federal government and agencies	49,100	45,721
Provincial government	25,035	25,921
Provincial government agencies	32,850	26,941
	106,985	98,583
Sale of Services		
Protective services	278,928	270,160
Environmental Health Services		
Garbage collection and disposal	308,111	298,205
Connection fees - drains	4,387	3,400
	591,426	571,765
Other Revenue from Own Sources		
Licences and permits		
Business licences	81,588	74,137
Commercial vehicle licences	3,315	3,787
Building permits	22,682	18,090
Parking, fines, and permits	16,522	14,654
Dog licences and fees	8,394	7,722
	132,501	118,390
Rentals	83,668	76,070
Returns on Investments	60,389	40,161
Penalties and Interest on Taxes	162,956	204,495
Miscellaneous		
Parks and recreation	23,028	20,759
Cemetery	27,265	33,372
Sundry	56,793	34,076
	107,086	88,207
Carried forward	3,969,140	3,618,814

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1986

REVENUE (Continued)	1986	1985 (Note 6)
Brought forward	$ 3,969,140	$ 3,618,814
Unconditional Transfers from Other Governments		
Provincial government		
Revenue Sharing Act	453,331	430,252
Conditional Transfers from Other Governments		
Provincial government		
Department of Highways	3,515	4,562
Residential Rehabilitation Assistance Program	9,765	2,800
Federal government		
Employment grant	32,539	-
	45,819	7,362
Other Transfers		
Transfers from own reserve accounts and funds		
Water Utility Operating Fund	100,000	256,000
Cemetery Perpetual Care Fund	7,707	8,212
Reserve for Future Expenditures	33,841	54,515
Surplus from previous years appropriated	170,000	40,000
Collections in excess of requisitions	-	189
	311,548	358,916
Collections for other Governments		
School District No. 71		
Non-residential	1,333,653	1,437,519
Residential	1,134,849	1,060,027
Regional Hospital District	93,539	88,967
Municipal Finance Authority	856	853
British Columbia Assessment Authority	62,619	60,593
	2,625,516	2,647,959
	$ 7,405,354	$ 7,063,303

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1986

EXPENDITURE	1986	1985
General Government Services		
Legislative	$ 62,716	$ 57,762
General Administrative	237,189	232,038
Other	40,238	42,718
	340,143	332,518
Protective Services		
Police protection	681,493	633,264
Fire protection	205,753	208,519
Emergency measures	3,298	200
Inspections	86,619	82,935
Animal control	38,609	36,311
	1,015,772	961,229
Transportation Services		
Common service	40,531	45,988
Road Transport		
Administration	57,814	55,295
Engineering	26,637	24,912
Roads and streets	258,156	241,939
Street lighting	99,492	98,882
Traffic services	37,381	27,776
Parking control	37,587	37,095
Air transport	1,713	60
	559,311	531,947
Environmental Health Services		
Comfort station	2,845	1,922
Garbage and waste collection and disposal	271,903	263,983
	274,748	265,905
Public Health and Welfare Services		
Public Health	61,858	58,843
Environmental Development Services	10,298	2,125
Carried forward	2,262,130	2,152,567

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1986

EXPENDITURE (Continued)	1986	1985
Brought forward	$ 2,262,130	$ 2,152,567
Recreation and Cultural Services		
Recreation Facilities		
Administration	126,072	126,070
Community Recreation Association Hall	47,942	38,097
Pool and marina	19,086	16,902
Parks and playgrounds	277,305	187,888
Cultural buildings and facilities	147,201	133,529
	617,606	502,486
Fiscal Services		
Debt charges		
Interest on temporary borrowings	61,616	59,479
Interest on long-term debt	30,470	37,579
Principal instalments	76,971	95,785
Other	4,875	5,412
Other fiscal services	8	130
	173,940	198,385
Transfers to Own Reserves and Funds		
Reserve for Future Expenditures	51,090	33,841
Machinery and Equipment Reserve Fund	70,800	70,800
Cemetery Perpetual Care Fund - fees levied	2,504	3,508
General Capital Fund	262,576	298,172
Water Utility Operating Fund (frontage tax)	292,895	290,898
Sewer Operating Fund (frontage tax)	562,780	496,237
	1,242,645	1,193,456
Transfer to other governments		
Share of Provincial and Federal grants	43,440	37,379
Transmissions of Taxes Levied for Other Governments	2,962,391	2,875,940
TOTAL EXPENDITURE	7,302,152	6,960,213
SURPLUS FOR THE YEAR	103,202	103,090
	$ 7,405,354	$ 7,063,303

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL CAPITAL FUND
BALANCE SHEET AS AT DECEMBER 31, 1986

Statement 4

ASSETS	1986	1985
UNEXPENDED FUNDS		
Cash	$ 82,624	$ 86,603
Due from General Operating Fund	-	8,295
	82,624	94,898
FIXED ASSETS (Schedule A)	9,563,502	9,110,364
	$ 9,646,126	$ 9,205,262

LIABILITIES AND EQUITY IN CAPITAL ASSETS

LONG-TERM DEBT		
Debenture debt (Schedule B)	$ 181,946	$ 212,900
Other long-term debt (Schedule B)	195,280	194,320
	377,226	407,220
EQUITY IN CAPITAL ASSETS (Statement 5)	9,268,900	8,798,042
	$ 9,646,126	$ 9,205,262

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 1986

Statement 5

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 8,798,042	$ 8,336,734
Add		
Transfers from other funds		
General Operating Fund	262,576	298,172
Machinery and Equipment Reserve Fund	98,650	44,315
Provided by General Operating Fund		
Redemption of serial debenture principal	29,931	37,152
Other debt retirement	47,040	58,633
Provincial government grants	51,375	-
Interest income	5,046	5,023
Sundry contributions and gifts		
Theatre	-	10,000
Regional District	10,154	18,275
Other	7,500	734
Actuarial adjustment (Debt principal)	1,022	749
	513,294	473,053
Deduct assets written off (net of proceeds)	42,436	11,745
	470,858	461,308
BALANCE AT END OF YEAR	$ 9,268,900	$ 8,798,042

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL FINANCING
YEAR ENDED DECEMBER 31, 1986

Statement 6

	1986	1985
FINANCES ACQUIRED		
Unapplied from previous year	$ 94,898	$ 84,473
Long-term debt incurred	48,000	-
Provincial government contributions		
Major Municipal Highway	51,375	-
Sale of fixed assets	100	15,855
Transfers from Machinery and Equipment Reserve Fund	98,650	44,315
Transfers from General Operating Fund	262,576	298,172
Interest earnings	5,046	5,024
Donations	7,500	10,734
Contribution from Regional District	10,154	18,275
	$ 578,299	$ 476,848
FINANCES APPLIED		
Expenditure for fixed assets (Schedule D)	$ 495,675	$ 381,950
Unexpended at end of year	82,624	94,898
	$ 578,299	$ 476,848
SCHEDULE OF UNEXPENDED FUNDS		
Parks	$ 552	$ 500
Riverbank protection	-	12,066
Theatre	82,072	82,332
	$ 82,624	$ 94,898

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL RESERVE FUNDS
BALANCE SHEETS AS AT DECEMBER 31, 1986

Statement 7

NEW WORKS RESERVE FUND

ASSETS	1986	1985
DUE FROM GENERAL OPERATING FUND	$ 9,057	$ 8,434
FUND BALANCE		
FUND BALANCE (Statement 8)	$ 9,057	$ 8,434

MACHINERY AND EQUIPMENT RESERVE FUND

ASSETS	1986	1985
CASH	$ 1,278	$ 1,000
DUE FROM GENERAL OPERATING FUND	273,684	268,738
	$ 274,962	$ 269,738
FUND BALANCE		
FUND BALANCE (Statement 8)	$ 274,962	$ 269,738

PUBLIC PARKING RESERVE FUND

ASSETS	1986	1985
DUE FROM GENERAL OPERATING FUND	$ 20,010	$ 18,633
FUND BALANCE		
FUND BALANCE (Statement 8)	$ 20,010	$ 18,633

LAND SALES RESERVE FUND

ASSETS	1986	1985
CASH	$ 41,933	$ 39,500
FUND BALANCE		
FUND BALANCE (Statement 8)	$ 41,933	$ 39,500

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
GENERAL RESERVE FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 1986

Statement 8

NEW WORKS RESERVE FUND BALANCE

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 8,434	$ 7,707
Add interest income	623	727
BALANCE AT END OF YEAR	$ 9,057	$ 8,434

MACHINERY AND EQUIPMENT RESERVE FUND BALANCE

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 269,738	$ 224,461
Add		
Proceeds from sale of fixed assets	13,905	-
Transfer from General Operating Fund	70,800	70,800
Interest income	19,169	18,792
	373,612	314,053
Deduct transfers to General Capital Fund	98,650	44,315
BALANCE AT END OF YEAR	$ 274,962	$ 269,738

PUBLIC PARKING RESERVE FUND BALANCE

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 18,633	$ 17,214
Add interest income	1,377	1,419
BALANCE AT END OF YEAR	$ 20,010	$ 18,633

LAND SALES RESERVE FUND BALANCE

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 39,500	$ 29,711
Add		
Proceeds from sale of land	-	7,500
Interest income	2,433	2,289
BALANCE AT END OF YEAR	$ 41,933	$ 39,500

THE CORPORATION OF THE CITY OF COURTENAY
WATER UTILITY OPERATING FUND
BALANCE SHEET AS AT DECEMBER 31, 1986

Statement 9

ASSETS	1986	1985
DUE FROM GENERAL OPERATING FUND	$ 147,869	$ 214,445
INVENTORY OF SUPPLIES, at cost	55,696	44,915
	$ 203,565	$ 259,360
LIABILITIES		
DUE TO WATER UTILITY RESERVE FUND	$ -	$ 2,000
RESERVE FOR FUTURE EXPENDITURES	12,865	-
SURPLUS		
SURPLUS (Statement 10)	190,700	257,360
	$ 203,565	$ 259,360

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
WATER UTILITY OPERATING FUND
STATEMENT OF SURPLUS
YEAR ENDED DECEMBER 31, 1986

Statement 10

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 257,360	$ 451,214
Deduct previous years' surplus appropriated for current year	90,000	193,854
	167,360	257,360
Add surplus for the year (Statement 11)	23,340	-
BALANCE AT END OF YEAR	$ 190,700	$ 257,360

WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1986

Statement 11

	1986	1985
REVENUE		
Sale of water	$ 389,617	$ 382,772
Connection charges and rentals	16,481	6,000
Transfer from General Operating Fund - frontage tax	292,895	290,898
Surplus from previous years appropriated	90,000	193,854
Waterworks Facilities Assistance Grant	435,510	475,542
	$ 1,224,503	$ 1,349,066
EXPENDITURE		
Administration	$ 117,675	$ 114,632
Water purchase	850,694	905,548
Operation and maintenance	49,496	53,134
Debt charges	1,464	1,462
Transfer to Water Utility Reserve Fund	2,000	2,000
Transfer to Water Utility Capital Fund	66,969	16,290
Transfer to General Operating Fund	100,000	256,000
Transfer to Reserve for Future Expenditures	12,865	-
	1,201,163	1,349,066
SURPLUS FOR THE YEAR	23,340	-
	$ 1,224,503	$ 1,349,066

THE CORPORATION OF THE CITY OF COURTENAY
WATER UTILITY CAPITAL FUND
BALANCE SHEET AS AT DECEMBER 31, 1986

Statement 12

ASSETS	1986	1985
FIXED ASSETS		
Utility plant, at cost	$ 1,374,349	$ 1,307,380
Accumulated depreciation	867,432	840,752
	$ 506,917	$ 466,628

LIABILITIES AND EQUITY IN CAPITAL ASSETS

LONG-TERM DEBT (Schedule B)	$ 7,098	$ 8,044
EQUITY IN CAPITAL ASSETS (Statement 13)	499,819	458,584
	$ 506,917	$ 466,628

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
WATER UTILITY CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 1986

Statement 13

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 458,584	$ 409,966
Add		
Transfers from own funds		
Water Utility Operating Fund	66,969	16,290
Water Utility Reserve Fund	-	56,000
Redemption of debenture principal	946	887
	526,499	483,143
Deduct depreciation	26,680	24,559
BALANCE AT END OF YEAR	$ 499,819	$ 458,584

WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FINANCING
YEAR ENDED DECEMBER 31, 1986

Statement 14

	1986	1985
FINANCES ACQUIRED		
Transfer from Water Utility Operating Fund	$ 66,969	$ 16,290
Transfer from Water Utility Reserve Fund	-	56,000
	$ 66,969	$ 72,290
FINANCES APPLIED		
Expenditure for fixed assets	$ 66,969	$ 72,290

THE CORPORATION OF THE CITY OF COURTENAY
WATER UTILITY RESERVE FUND
BALANCE SHEET AS AT DECEMBER 31, 1986

Statement 15

ASSETS	1986	1985
DUE FROM GENERAL OPERATING FUND	$ 66,865	$ 58,540
DUE FROM WATER UTILITY OPERATING FUND	-	2,000
	$ 66,865	$ 60,540

FUND BALANCE

BALANCE AT BEGINNING OF YEAR	$ 60,540	$ 106,101
Add		
Interest income	4,325	8,439
Transfer from Water Utility Operating Fund	2,000	2,000
	66,865	116,540
Deduct transfer to Water Utility Capital Fund	-	56,000
BALANCE AT END OF YEAR	$ 66,865	$ 60,540

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
SEWER OPERATING FUND
BALANCE SHEET AS AT DECEMBER 31, 1986

Statement 16

ASSETS	1986	1985
ACCOUNTS RECEIVABLE	$ -	$ 900
DUE FROM SEWER CAPITAL FUND	-	478
DUE FROM GENERAL OPERATING FUND	195,866	140,473
MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND	110,836	106,269
	$ 306,702	$ 248,120

LIABILITIES AND SURPLUS

MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND		
Liability (Note 3)		
Cash requirement	$ 41,746	$ 37,179
Demand note requirement	69,090	69,090
	110,836	106,269
RESERVE FOR FUTURE EXPENDITURES	59,000	-
SURPLUS (Statement 17)	136,866	141,851
	$ 306,702	$ 248,120

John G. Tellin
Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
SEWER OPERATING FUND
STATEMENT OF SURPLUS
YEAR ENDED DECEMBER 31, 1986

Statement 17

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 141,851	$ 117,993
Deduct previous years' surplus appropriated for current year	24,000	5,000
	117,851	112,993
Add surplus for the year (Statement 18)	19,015	28,858
BALANCE AT END OF YEAR	$ 136,866	$ 141,851

SEWER OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED DECEMBER 31, 1986

Statement 18

	1986	1985
REVENUE		
Sale of services	$ 201,740	$ 200,515
Surplus from previous years appropriated	24,000	5,000
Connection fees	5,350	3,900
Interest		
Municipal Finance Authority debt reserve	4,567	4,040
Transfers from General Operating Fund		
Frontage tax	562,780	496,237
Sewer Facilities Assistance Grant	2,008,100	2,037,732
	$ 2,806,537	$ 2,747,424
EXPENDITURE		
Administration	$ 66,940	$ 64,878
Operation and maintenance	40,663	36,856
Debt charges		
Principal	27,679	27,036
Interest	112,855	143,403
Other - exchange	53,215	62,288
Transfer to Reserve for Future Expenditure	59,000	-
Other fiscal services		
Municipal Finance Authority	4,567	4,040
Transfer to Sewer Capital Fund	3,280	896
Regional District requisition	2,419,323	2,379,169
	2,787,522	2,718,566
SURPLUS FOR THE YEAR	19,015	28,858
	$ 2,806,537	$ 2,747,424

THE CORPORATION OF THE CITY OF COURTENAY
SEWER CAPITAL FUND
BALANCE SHEET AS AT DECEMBER 31, 1986 — Statement 19

ASSETS	1986	1985
FIXED ASSETS, at cost		
Engineering structures	$ 2,400,387	$ 2,344,424

LIABILITIES AND EQUITY IN CAPITAL ASSETS

TEMPORARY BORROWING AND PAYABLES		
Due to Sewer Operating Fund	$ -	$ 478
LONG-TERM DEBT (Schedule B)	846,145	877,825
EQUITY IN CAPITAL ASSETS (Statement 20)	1,554,242	1,466,121
	$ 2,400,387	$ 2,344,424

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
SEWER CAPITAL FUND
STATEMENT OF EQUITY IN CAPITAL ASSETS
YEAR ENDED DECEMBER 31, 1986

Statement 20

	1986	1985
BALANCE AT BEGINNING OF YEAR	$ 1,466,121	$ 1,572,262
Add		
Transfers from own funds		
Sewer Operating Fund	3,280	896
Sewer Reserve Fund	53,161	27,145
Debt retirement from Sewer Operating Fund	27,679	27,036
Interest income	-	11,701
Actuarial adjustment	4,001	2,927
	1,554,242	1,641,967
Deduct transfer to Sewer Reserve Fund	-	175,846
BALANCE AT END OF YEAR	$ 1,554,242	$ 1,466,121

SEWER CAPITAL FUND
STATEMENT OF CAPITAL FINANCING
YEAR ENDED DECEMBER 31, 1986

Statement 21

	1986	1985
FINANCES ACQUIRED		
Unexpended funds at beginning of year	$ -	$ 184,136
Transfers from own funds		
Sewer Reserve Fund	53,161	27,145
Sewer Operating Fund	3,280	896
Interest income	-	11,701
Due to Sewer Operating Fund at end of year	-	478
	$ 56,441	$ 224,356
FINANCES APPLIED		
Due to Sewer Operating Fund at beginning of year	$ 478	$ 478
Expenditure for fixed assets		
Engineering structures	55,963	48,032
Transfer to Sewer Reserve Fund	-	175,846
	$ 56,441	$ 224,356

THE CORPORATION OF THE CITY OF COURTENAY
SEWER RESERVE FUND
BALANCE SHEET AS AT DECEMBER 31, 1986

Statement 22

ASSETS	1986	1985
DUE FROM GENERAL OPERATING FUND	$ 109,894	$ 152,423

FUND BALANCE

BALANCE AT BEGINNING OF YEAR	$ 152,423	$ -
Add		
Transfer from Sewer Capital Fund (Bylaw 1382)	-	175,846
Interest income	10,632	3,722
	163,055	179,568
Deduct transfer to Sewer Capital Fund	53,161	27,145
BALANCE AT END OF YEAR	$ 109,894	$ 152,423

Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
CEMETERY PERPETUAL CARE FUND
BALANCE SHEET AS AT DECEMBER 31, 1986

Statement 23

ASSETS	1986	1985
CASH	$ 1,273	$ 1,041
INVESTMENTS (Schedule C)	106,925	104,638
DUE FROM GENERAL OPERATING FUND	-	15
ACCRUED INTEREST RECEIVABLE	131	131
	$ 108,329	$ 105,825

FUND BALANCE

BALANCE AT BEGINNING OF YEAR	$ 105,825	$ 102,317
Add		
General Operating Fund		
Fees levied	2,504	3,508
Interest revenue	7,707	8,212
	116,036	114,037
Deduct transfer to General Operating Fund	7,707	8,212
BALANCE AT END OF YEAR	$ 108,329	$ 105,825

John B. Allen
Treasurer

THE CORPORATION OF THE CITY OF COURTENAY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1986

1. SIGNIFICANT ACCOUNTING POLICIES

(a) British Columbia municipalities

It is the policy of the City to follow accounting principles generally accepted for British Columbia municipalities and to apply such principles consistently. As part of this policy, the resources and operation of the City are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

(b) Investments

Investments are recorded at cost.

(c) Fixed assets

(i) General Capital Fund and Sewer Capital Fund

Fixed assets are recorded at cost in the year of acquisition. No depreciation is recorded on fixed assets held in the General Capital Fund and the Sewer Capital Fund.

(ii) Water Utility Capital Fund

Fixed assets are recorded at cost in the year of acquisition. Depreciation on engineering structures is recorded in an amount equal to 5% of the net book value at the end of the year, before depreciation for the current year.

(d) Debt charges

Debt charges, including principal and interest, are charged against current revenue in the periods in which they are paid.

2. CONTINGENT LIABILITY

Regional District debt is, under the provisions of the Municipal Act (Section 799), a direct, joint, and several liability of the District and each member municipality within the District, including The Corporation of the City of Courtenay.

3. MUNICIPAL FINANCE AUTHORITY DEBT RESERVE FUND

The debt reserve fund is recorded in United States of America currency. If the debt reserve fund had been converted into Canadian dollars at the rates of exchange prevailing at December 31, 1986, the Corporation of the City of Courtenay's reserve fund and reserve fund liability would have exceeded the amount recorded in its accounts by approximately $3,031 (General Operating Fund) and $43,115 (Sewer Operating Fund).

4. DEBENTURE DEBT

If General Capital debenture debt under By-law 1272, amounting to $33,451, being that portion of the Corporation of the City of Courtenay's debentures payable in United States of America currency, had been converted into Canadian dollars at the rates of exchange prevailing at December 31, 1986, the Corporation of the City of Courtenay's liability for such debenture debt would have exceeded the amount recorded in its accounts by approximately $13,012.

Also, if Sewer Capital Fund debenture debt under By-law 1271, amounting to $783,462, being that portion of the Corporation of the City of Courtenay's debentures payable in United States of America currency, had been converted into Canadian dollars at the rates of exchange prevailing at December 31, 1986, the Corporation of the City of Courtenay's liability for such debenture debt would have exceeded the amount recorded in its accounts by approximately $304,767.

5. DOWNTOWN REVITALIZATION LOAN

The interest rate on the loan from the government of the Province of British Columbia varies as follows:

June 12, 1983 to June 11, 1987	5.4%
June 12, 1987 to June 11, 1990	10.8%
June 12, 1990 to June 11, 1993	13.5%

6. RECLASSIFICATION OF COMPARATIVE FIGURES

The 1985 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1986.

THE CORPORATION OF THE CITY OF COURTENAY
SCHEDULE OF GENERAL CAPITAL FUND FIXED ASSETS
YEAR ENDED DECEMBER 31, 1986

Schedule A

	Land	Buildings	Engineering Structures	Machinery and Equipment	Total
General Government					
City Hall	$ 31,300	$ 77,983	$ -	$ 127,186	$ 236,469
Protection to Persons and Property					
Fire Department	19,720	182,348	-	273,749	475,817
Police Department	-	-	-	2,073	2,073
Street and traffic lights	-	-	53,961	-	53,961
Pound	-	5,775	-	-	5,775
Public Works					
Shops, yards, and other buildings	24,640	101,364	16,837	717,315	860,156
Drainage	-	-	1,034,250	-	1,034,250
Streets and sidewalks	1,940	-	3,184,794	-	3,186,734
Parking meters and lots	143,309	-	91,958	6,581	241,848
Airpark	-	-	5,972	-	5,972
Sanitation and Waste Removal					
Garbage dump	380	-	-	-	380
Health					
Health offices	-	135,383	-	-	135,383
Community Services					
Parks	462,964	387,625	1,075,100	61,604	1,987,293
Cemeteries	7,343	8,610	83,447	519	99,919
Marina	24,109	48,800	77,008	-	149,917
Civic Square and theatre	76,265	247,107	52,556	21,982	397,910
Neighborhood Improvement Program	308,881	-	371,046	-	679,927
Miscellaneous					
Land held for redevelopment	9,718	-	-	-	9,718
	$ 1,110,569	$ 1,194,995	$ 6,046,929	$ 1,211,009	$ 9,563,502

THE CORPORATION OF THE CITY OF COURTENAY
SCHEDULE OF DEBENTURE AND OTHER LONG-TERM DEBT
YEAR ENDED DECEMBER 31, 1986

Schedule B

By-law Number		Maturity Date	Interest Rate %	Principal Outstanding 31/12/85	Actuarial Adjustment and Principal Reduction	Principal Outstanding 31/12/86
General Capital Fund						
Debenture debt						
912/951B	Sidewalks	15/6/86	6.0	$ 8,000	$ 8,000	$ -
1042/1069	Drainage	1/ 7/92	6.4245	27,781	3,267	24,514
1043/1070	Streets	1/ 7/92	6.4357	59,660	7,014	52,646
1049/1084	Drainage	1/ 4/93	7.3	4,232	408	3,824
1051/1085	Streets	1/ 4/93	7.3	49,039	4,729	44,310
1077/1133	Streets	1/ 4/95	7.43	24,972	1,771	23,201
1262/1272	Downtown Revitalization (Note 5)	28/10/91	Variable	39,216	5,765	33,451
				212,900	30,954	181,946
Other long-term debt						
1416	Park purchase	1/08/91	Prime	-	-	48,000
1261	Park purchase	31/12/86	Prime	26,000	26,000	-
1262	Downtown Revitalization	12/ 6/93	Note 5	168,320	21,040	147,280
				194,320	47,040	195,280
				$ 407,220	$ 77,994	$ 377,226
Sewer Capital Fund						
990/1026A	Sewage	1/10/91	8.375	$ 38,353	$ 5,179	$ 33,174
990/1026B	Sewage	1/12/91	7.75	2,352	323	2,029
1040/1067	Sewage	1/ 7/92	6.472	29,232	3,433	25,799
1052/1086	Sewage	1/ 4/93	7.3	1,860	179	1,681
1255/1271	Sewage (Note 4)	28/10/2006	Variable	806,028	22,566	783,462
				$ 877,825	$ 31,680	$ 846,145
Water Utility Capital Fund						
1041/1068	Water	1/ 7/92	6.4433	$ 8,044	$ 946	$ 7,098
TOTAL DEBENTURE AND OTHER LONG-TERM DEBT				$ 1,293,089	$ 110,620	$ 1,230,469

THE CORPORATION OF THE CITY OF COURTENAY
SCHEDULE OF INVESTMENTS
YEAR ENDED DECEMBER 31, 1986

Schedule C

	1986	1985
CEMETERY PERPETUAL CARE FUND		
Dominion of Canada Bonds		
5 1/4% May 1, 1990 at cost (par $15,000)	$ 12,638	$ 12,638
Royal Bank of Canada - term deposits	-	92,000
Government of Canada - Treasury Bill		
8.35% December 11, 1987	94,287	-
	$ 106,925	$ 104,638

GENERAL CAPITAL FUND
SCHEDULE OF EXPENDITURE FOR FIXED ASSETS
YEAR ENDED DECEMBER 31, 1986

Schedule D

	1986	1985
General government		
Building	$ -	$ 585
Equipment	11,284	65,723
	11,284	66,308
Protection to persons and property		
Fire Department		
Equipment	20,203	20,430
Building	-	3,421
	20,203	23,851
Public Works		
Streets	125,354	15,306
Sidewalks	65,836	24,896
Storm drains	17,461	94,349
Equipment	74,729	49,078
	283,380	183,629
Community services		
Parks	141,603	54,053
Buildings	5,129	34,983
Equipment	23,922	851
Cemetery	10,154	18,275
	180,808	108,162
	$ 495,675	$ 381,950

GENERAL STATISTICS

	1985	1986
Population	9,015	9,513
Area (hectares)		
Land	1,008	1,008
Water	50	50
Total	1,058	1,058
Building Permits		
Number	408	260
Value	4,256,320	5,023,000
Voters' List	3,628	3,890
Net Taxable Assessments		
General, Debt & Regional District	265,650,849	267,100,054
Hospital, Municipal Finance Authority and B. C. Assessment Authority	275,987,167	277,528,696
School	283,370,067	284,926,546
Current Adjusted Tax Levy	5,176,862	5,360,532
Owners' Payments	3,775,598	4,039,267
Home Owner Grants	935,910	976,042
Total Current Collections	4,711,508	5,015,309
Percentage of Current Taxes Collected	91.0%	93.6%
Total Tax Collections for Year	5,524,595	5,695,769
Total Collections as Percentage of Current Levy	106.7%	106.3%
Arrears at End of Year	787,034	536,225
Arrears as Percentage of Current Levy	15.2%	10.0%

Tax Rates - 1986

(Per One Thousand Dollars of Taxable Assessment)

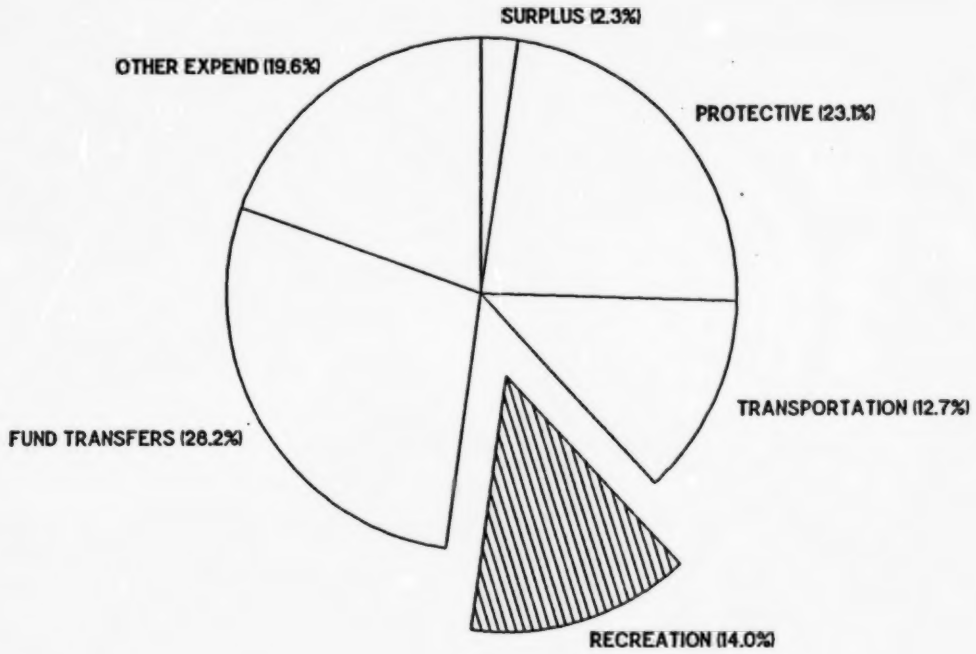
Assessment Base	1 Residential	2 Utility	4 Machinery &Equipment	5 Industrial	6 Business	8 Seas/Rec/N.P.	9 Farm
General							
General Municipal	$ 3.4155	$11.9543	$ -	$11.6127	$ 8.3680	$ 3.4155	$ 3.4155
Debt	.2089	.7312	-	.7103	.5118	.2089	.2089
	3.6244	12.6855	-	12.3230	8.8798	3.6244	3.6244
Regional District	.8476	2.9666	-	2.8818	2.0766	.8476	.8476
	4.4720	15.6521	-	15.2048	10.9564	4.4720	4.4720
Hospital							
Regional Hospital	.2185	.7648	.6118	.7429	.5353	.2185	.2185
M.F.A.	.0020	.0070	.0056	.0068	.0049	.0020	.0020
B.C.A.A.	.1463	.5119	.4095	.4973	.3583	.1463	.1463
	.3668	1.2837	1.0269	1.2470	.8985	.3668	.3668
School	6.37112	18.5680	4.9510	12.9970	12.9970	5.3050	5.3050
Total	$11.20992	$35.5038	$ 5.9779	$29.4488	$24.8519	$10.1438	$10.1438

Frontage Tax Rates

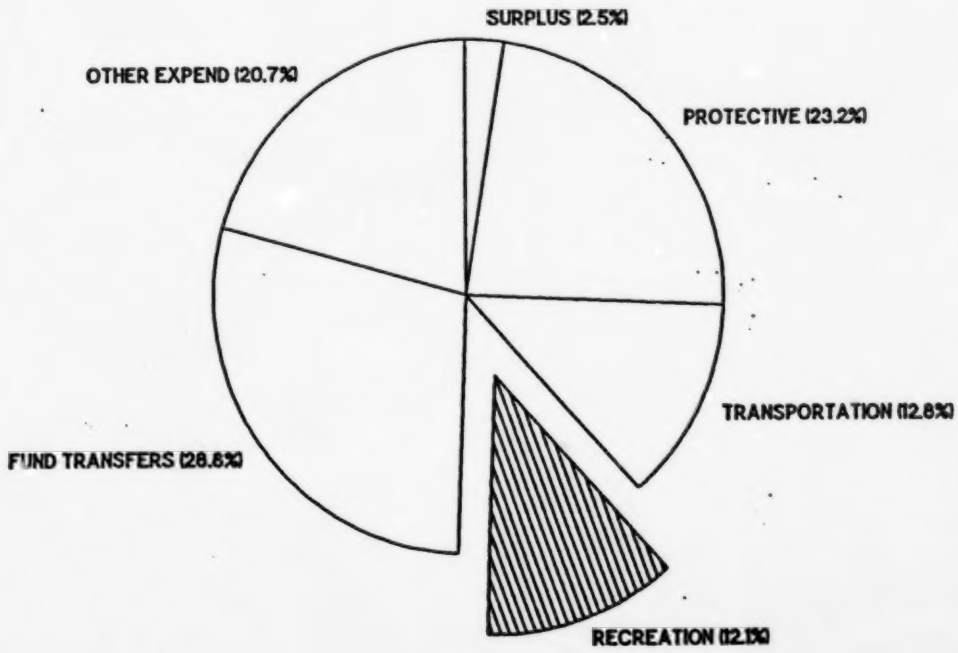
1 Sewer Frontage	$ 1.95
3 Water Frontage	1.00
4 Downtown Revitalization	23.77

CITY OF COURTENAY

GENERAL OPERATING FUND EXPEND. - 1986

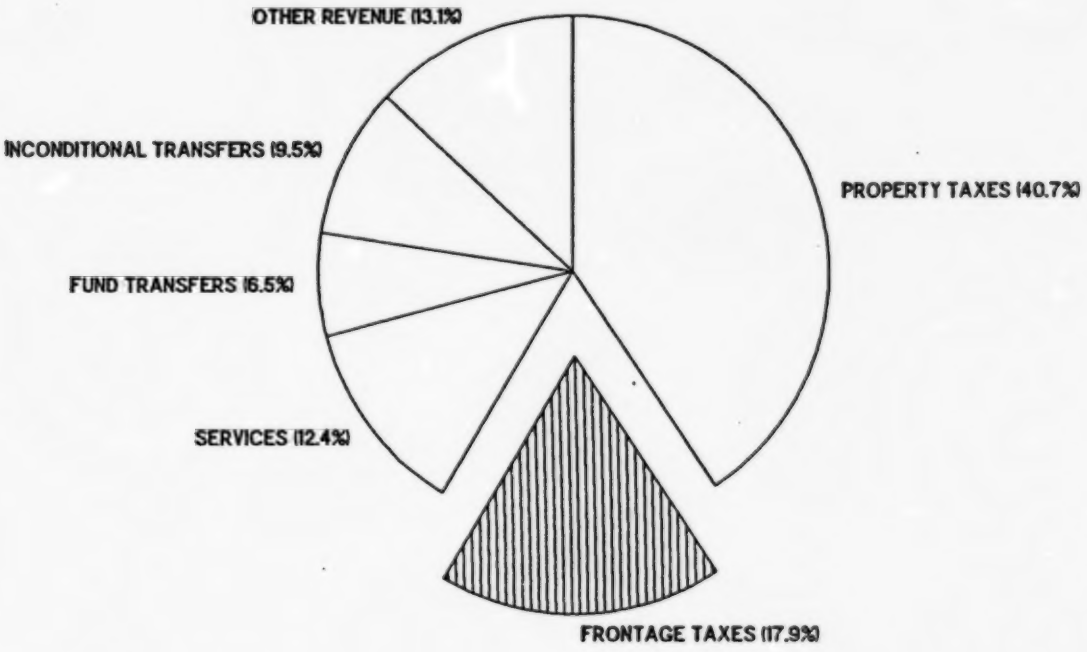


GENERAL OPERATING FUND EXPEND. - 1985

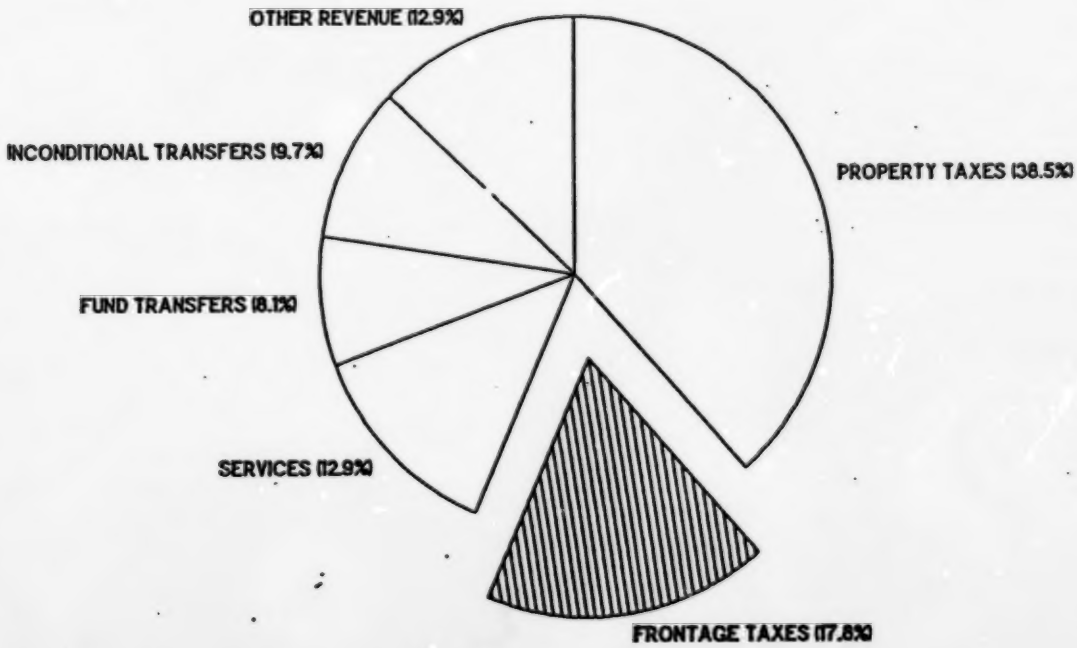


CORPORATION OF THE CITY OF COURTENAY

GENERAL FUND REVENUE - 1986



GENERAL FUND REVENUE - 1985



CITY COUNCIL 1987

MAYOR

G. T. COCHRANE

ALDERMEN

S. J. Blain
K. M. Leakey
H. J. Long
L. B. DiCastri
W. R. McConochie
R. V. Webber

FREEMEN OF THE CITY

F. S. Williams
G. L. Hobson
H. W. Bradley

CITY OFFICIALS

City Clerk-Administrator	D. Ratcliffe
City Treasurer-Collector and Deputy City Clerk-Administrator	J. E. Wilson
Public Works Superintendent	S. M. Janzen
Fire Chief	L. Burns
Building/Plumbing Inspector	E. L. Cronk
Public Works Foreman	R. F. Carter

CITY AUDITORS

Wharram Standeven & Co.

CITY SOLICITOR

Gibson & Co.